

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 019947

66

ORIGIN NEA-13

INFO OCT-01 ISO-00 COME-00 EB-11 H-03 XMB-07 FRB-02 TRSE-00

CIAE-00 INR-10 NSAE-00 RSC-01 CEA-02 SS-20 NSC-10

CIEP-02 STR-08 OMB-01 /091 R

DRAFTED BY NEA/IAI:WTCLUVERIUS:KHA
APPROVED BY NEA/IAI - H. H. STACKHOUSE
COMMERCE-MR. WENTWORTH (SUBS)

----- 007352

P 302146Z JAN 74

FM SECSTATE WASHDC

TO AMEMBASSY TEL AVIV PRIORITY

LIMITED OFFICIAL USE STATE 019947

E.O. 11652: NA

TAGS: BTRA (ROCKEFELLER, DAVID), IS, EFIN

SUBJECT: PROBLEMS OF FINANCING US EXPORTS TO ISRAEL

1. ROBERT BLOMQUIST, SENIOR VP OF CHASE MANHATTAN BANK, INFORMED DEPT JAN 29 OF PROBLEM CHASE IS EXPERIENCING, AND OBSERVING IN U.S. EXPORTING CIRCLES, IN FINANCING U.S. EXPORTS TO ISRAEL. BLOMQUIST WISHED INFORM DEPT THAT PROBLEM WILL BE BROUGHT TO DAVID ROCKEFELLER'S ATTENTION BY CHASE PRIOR HIS MEETINGS FRIDAY IN JERUSALEM WHERE BLOMQUIST EXPECTS SAPIR MAY RAISE IT IN MEETING WITH ROCKEFELLER.

2. ACCORDING BLOMQUIST, PROBLEM STEMS FROM FACT THAT IN PAST U.S. EXPORTERS HAVE DEALT VERY FREELY WITH ISRAELI IMPORTERS, BOTH PUBLIC AND PRIVATE. U.S. FIRMS WOULD SHIP ON OPEN ACCOUNT OR AGAINST UNCONFIRMED CREDIT DOCUMENTS. INCREASINGLY, HOWEVER, EXPORTERS ALL OVER U.S. FEEL THAT BECAUSE OF RECENT WAR AND WHAT THEY FEEL ARE CONTINUING UNSTABLE CONDITIONS IN AREA, THEY PREFER SHIP ONLY AGAINST CONFIRMED LETTERS OF CREDIT. IN SHORT, THEY WANT TO SHARE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 019947

RISKS THEY PREVIOUSLY WERE WILLING TO ASSUME ON THEIR OWN.

EXPORTERS ASK ISRAELI BUYERS TO HAVE THEIR LETTERS OF CREDIT CONFIRMED BY U.S. BANK. CHASE TRADITIONALLY HAS BEEN BIG IN DEALING IN ISRAELI LETTERS OF CREDIT BUT NOW, BECAUSE OF INCREASED DEMAND, CHASE IS SOME DOLS. 200 MILLION INTO ACT AND FEELS IT CAN GO NO FURTHER. IT HAS

INFORMED ISRAEL'S BANK LEUMI OF THIS FACT. ISRAELI IMPORTERS MUST THEN FIND NEW WAYS TO OBTAIN CONFIRMATION ON THEIR LETTERS OF CREDIT, DEAL IN CASH, OR PERSUADE EXPORTERS TO RETURN TO FORMER PRACTICE. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANKERS, VISITS, EXPORTERS, IMPORTERS, LETTERS OF CREDIT
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE019947
Document Source: CORE
Document Unique ID: 00
Drafter: WTCLUVERIUS:KHA
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974015/aaaaadvh.tel
Line Count: 71
Locator: TEXT ON-LINE
Office: ORIGIN NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 20 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 AUG 2002 by cunninfx>; APPROVED <04-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROBLEMS OF FINANCING US EXPORTS TO ISRAEL
TAGS: BTRA, EFIN, IS, US, (ROCKEFELLER, DAVID)
To: TEL AVIV
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005